

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2000-0084-C - ORDER NO. 2000-0498

June 13, 2000

IN RE: Application of PRTCommunications, LLC for)	ORDER
a Certificate of Public Convenience and)	GRANTING
Necessity to Provide Local Exchange)	CERTIFICATE TO
Services to Customers Located in Certain)	PROVIDE LOCAL
Areas of The State of South Carolina)	SERVICES AND
Currently Being Served by GTE South, Inc.,)	FLEXIBLE
and For Flexible Regulation First Approved)	REGULATION
in Docket Number 97-467-C Within the State)	
of South Carolina.)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of PRTCommunications, LLC ("PRT Communications") or the ("Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide local exchange telecommunications services throughout the State of South Carolina. In addition, the Company requests that the Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1999) and the Regulations of the Public Service Commission of South Carolina.

By letter, the Commission's Executive Director instructed PRTCommunications to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing was to inform interested parties of

the manner and time in which to file the appropriate pleadings for participation in the proceedings. PRTCommunications complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A hearing was commenced on May 31, 2000, at 3:30 p.m., in the Commission's Hearing Room. The Honorable Philip T. Bradley, Chairman, presided. PRTCommunications was represented by M. John Bowen, Jr., Esquire. Adelaide D. Kline, Staff Counsel, represented the Commission Staff.

James P. Wilder, President of PRTCommunications and General Manager of its parent company, Piedmont Rural Telephone Cooperative, Inc., appeared and testified in support of the Application. PRTCommunications is a limited liability company in South Carolina, a wholly-owned subsidiary of Piedmont Rural Telephone Cooperative, Inc., that was formed on January 22, 1998. PRTCommunications, LLC was granted a Certificate of Public Convenience and Necessity to operate as a reseller of intrastate interexchange telecommunications services in the State of South Carolina by Order No. 1999-619, dated September 1, 1999, and issued in Docket No. 1999-310-C. The Applicant offers telecommunications services only in South Carolina. Mr. Wilder testified Piedmont Rural Telephone Cooperative has operated in South Carolina for many years and has a substantial investment in plant and facilities in the State. Mr. Wilder offered that PRTCommunications possesses the necessary financial qualifications to provide the services for which it seeks authority. PRTCommunications provided, with its application, the financial statements of its parent company, Piedmont Rural Telephone Cooperative, Inc. and Subsidiary to demonstrate PRTCommunications' financial resources. Mr. Wilder acknowledged that PRTCommunications has sufficient capital necessary to fund its proposed operations in South

Carolina, and that it would rely, if ever necessary, on its parent company, Piedmont Rural Telephone Cooperative. He further explained that once the company has completed developing its budget plan, it will seek outside financing for construction and development needs. Mr. Wilder will be the Company's financial contact person.

Regarding the Company's technical ability and managerial abilities to offer services in South Carolina, Mr. Wilder offered that PRTCommunications has sufficient technical and managerial resources and abilities to provide the services for which authority is sought. Mr. Wilder stated he has thirty years of experience in the telecommunications industry, including various technical and managerial positions. Additionally, Mr. Wilder testified the PRTCommunications management team is composed of individuals who have a significant number of years of business experience. In addition to Mr. Wilder, the officers of the Company are: Marion T. Mahon (Vice President) and John D. McClintock (Secretary/Treasurer). Mr. Wilder stated PRTCommunications presently has no employees; it will initially rely on a management contract with the parent company until revenues allow for full time employees. Mr. Wilder offered that the operational board of Piedmont Rural Telephone Cooperative will be used on a contract basis during the construction, installation, and building of services until the Applicant's staff is in place.

As further evidence of the company's abilities to provide the services for which authority is requested, Mr. Wilder offered that PRTCommunications will contract with its parent company to perform the billing function of its operations; Piedmont Rural Telephone Cooperative presently does its own billing in-house. Mr. Wilder stated the parent company has the capability and staff to handle the additional billing. He stated the bill will contain the Company's name and

the customer service telephone number. Mr. Wilder explained that PRTCommunications' customer service department is available five days a week (Monday-Friday) from 8:00 a.m. – 5:00 p.m. and on Saturdays from 8:00 a.m. – 4:00 p.m. As to repairs, in the initial phase, the Company will use the parent company's Cooperative employees. A repair number will be listed in the directory, as will the proper address for correspondence and bills, plus a twenty-four hour answering service number. The record reveals the Company will provide emergency services on evenings and Sundays. The Customer Service contact person, as to billing, is Carolyn Burns. For repair service matters, Willard Bates, the plant manager, should be contacted.

Mr. Wilder testified that PRTCommunications seeks authority to offer and provide local exchange and exchange access services to both residential and business customers. The Applicant wants to provide its services to customers located in the State of South Carolina in areas presently served by GTE South, Incorporated. Specifically, PRT Communications seeks to serve customers located in the Laurens and Woodruff exchanges currently served by GTE. Mr. Wilder testified PRTCommunications presently provides long distance resale and is considering several options for offering local services: building, collocating facilities, or reselling. He stated the Company will likely collocate in the areas where the parent company already has plant and switching facilities. Additionally, Mr. Wilder testified the Company is currently in negotiations for an interconnection agreement. The agreement will be filed with the Commission for approval when PRTCommunications receives its certificate.

PRTCommunications seeks authority to provide local exchange telecommunications services in areas presently served by GTE South, Incorporated; specifically, the Company seeks to serve customers located in the Laurens and Woodruff exchanges who are currently served by

GTE. Mr. Wilder stated the Company initially plans to market its services by the "word of mouth" method. In the future, the Company will likely do advertising with local media such as billboards and newspapers. The Company does not intend to do any telemarketing at this time; Mr. Wilder is aware of the Commission's marketing guidelines.

The Company requests that the Commission allow PRTCommunications to adopt the flexible rate structure for its local exchange service offerings similar to that approved by Order No. 1998-165 in Docket No. 1997-467-C.

Mr. Wilder affirmed that PRTCommunications will provide services that meet the service standards of the Commission, that PRTCommunications will participate in the support of universally available telephone service at affordable rates as required by the Commission, and that the services provided by PRTCommunications will neither adversely impact the availability of universally affordable local exchange service nor adversely impact the public interest. According to Mr. Wilder, approval of the authority for PRTCommunications will provide consumers in South Carolina with additional choices of local service, and will offer increased efficiency to the existing telecommunications network. Mr. Wilder also testified that PRTCommunications will operate in compliance with the Commission's Rules and Regulations, orders and statutes.

According to the application and Mr. Wilder, PRTCommunications requests waivers of certain Commission regulations. First, PRTCommunications requests a waiver of Reg. 103-631 so that it will not be required to publish its own local directory. The record reveals that PRTCommunications will make arrangements with the ILECs to include the listings of PRTCommunications' customers in the directories published by the ILECs. Second,

PRTCommunications requested that it be exempt from any record-keeping rules that might require it to maintain its financial records in conformance with the Uniform System of Accounts. PRTCommunications offered that it plans to maintain its book of accounts in accordance with Generally Accepted Accounting Principals ("GAAP"). PRTCommunications asserts that the Commission will have a reliable means to evaluate PRTCommunications' operations under GAAP. With regard to PRTCommunications requests for waiver of Reg. 103-631 and the exemption from the record-keeping rule about financial records, the Commission grants those two waivers.

Upon consideration of the application and the record from the hearing, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. PRTCommunications is organized as a corporation under the laws of South Carolina. The Company received a certificate from the South Carolina Secretary of State January 22, 1998, to transact business in this State.
2. PRTCommunications wishes to provide local exchange services within the State of South Carolina.
3. The Commission finds that PRTCommunications possesses the technical, financial, and managerial resources sufficient to provide the service requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1999).
4. The Commission finds that PRTCommunications' "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1999).

5. The Commission finds that PRTCommunications will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1999).

6. The Commission finds that PRTCommunications will provide services which will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1999).

7. The Commission finds that the provision of local exchange service by PRTCommunications "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1999).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to PRTCommunications to provide competitive intrastate local exchange services within the State of South Carolina.

2. PRTCommunications shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. PRTCommunications' local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for PRTCommunications' competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, PRTCommunications' local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended

pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers. Any proposed change in the maximum rates reflected in the tariff for local services which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

3. PRTCommunications shall resell or provide the services of only those companies authorized to provide telecommunications services in South Carolina by this Commission.

4. PRTCommunications shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. PRTCommunications shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The Annual Report for Competitive Local Exchange Carriers consists of four pages and is enclosed as Attachment B.

6. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs PRTCommunications to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina.

Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, PRTCommunications shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

7. The Company shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

PRTCommunications shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order.

(Attachment A shall be utilized for the provision of this information to the Commission.)

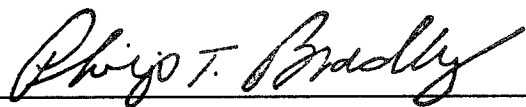
Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

8. PRTCommunications requested waivers from certain Commission regulations and requirements. Specifically, PRTCommunications requested a waiver from the requirement found in Rule 103-631 to publish and distribute local exchange directories, and additionally requested it

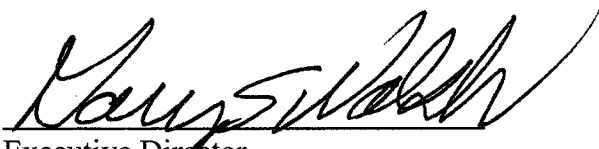
be exempt from keeping its records according to the Uniform System of Accounts in order to keep them under GAAP. For good cause shown, the Commission finds and concludes that PRTCommunications should be granted the waiver, as requested, from the requirement contained in Reg. 103-631 to publish and distribute local exchange directories, and further, should be exempt from any record-keeping rules that might require it to maintain its financial records in conformance with the Uniform System of Accounts. PRTCommunications has shown that it intends to maintain its books and records using GAAP which will allow the Commission to evaluate PRTCommunications' finances, if necessary. PRTCommunications has also shown that it will arrange with the incumbent local exchange company to include the customers of PRTCommunications in the directory listing of the ILEC directory. PRTCommunications is directed to comply with all Commission regulations, unless a regulation is specifically waived by the Commission.

9. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

Business Address

City, State, Zip Code

A.

General Manager Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

B.

Customer Relations (Complaints) Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

C.

Engineering Operations Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

D.

Test and Repair Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

E.

Contact for Emergencies During Non-Office Hours (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

F.

Financial Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

G.

Customer Contact Telephone Number for Company (Toll Free)

This form was completed by

Signature

**If you have any questions, contact the Consumer Services Department (803-896-5230)
or Utilities Department at (803-896-5105).**

ANNUAL REPORT FOR COMPETITIVE LOCAL EXCHANGE CARRIERS

COMPANY NAME: _____

ADDRESS: _____

CITY: _____ **STATE:** _____ **ZIP:** _____

PHONE NUMBER: _____ **FAX NUMBER:** _____

****If any of this information changes, the Commission is to be notified at once****

OFFICERS: PRESIDENT: _____

VICE PRESIDENT: _____

TREASURER: _____

CONTACT PERSON FOR FINANCIAL AND REGULATORY INFORMATION:

NAME: _____

(PLEASE PRINT OR TYPE)

CONTACT'S PHONE: _____

****If this person changes, you must notify the Commission immediately****

JUNE 13, 2000

ATTACHMENT B

COMPETITIVE LOCAL EXCHANGE CARRIERS

Company Name: _____

**Income Statement
12/31/2000/or Fiscal Year**

Particulars	Current Year-Total Company	Last Year-Total Company	SC Intrastate-Current Year
Revenues			
Operating Revenues			
Operating Expenses			
Access and Billing Expenses and Expenses Related to Resale			
Other Local Interconnection Expenses			
Leases Facilities from Other Carriers			
Communications System Operations			
Sales and Marketing			
Administration and General			
Depreciation and Amortization			
Other			
Total Operating Expenses			
Net Operating Income			
Other Income and Expenses			
Nonoperating Income and Expenses (Net)			
Nonoperating Taxes			
Interest			
Extraordinary Items			
Total Other Income and Expenses (Net)			
Net Income			

Number of South Carolina Access Lines	
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COMPETITIVE LOCAL EXCHANGE CARRIERS

Company Name: _____

**Balance Sheet-Total Company
December 31, 2000/or Fiscal Year Ending**

Particulars	Balance at Beginning of Year	Balance at Ending of Year
<u>Current Assets</u>		
Cash and Cash Equivalents		
Accounts Receivable-Telecommunications		
Accounts Receivable-Other		
Notes Receivable		
Other Receivables		
Materials and Supplies		
Prepays		
Other Current Assets		
Total Current Assets		
<u>Noncurrent Assets</u>		
Investments		
Other Noncurrent		
Deferred Charges		
Total Noncurrent Assets		
<u>Plant Assets</u>		
Telecommunications Plant in Service		
Accumulated Depreciation		
Net Telecommunications Plant in Service		
Other Plant Assets (Net of Depreciation)		
Construction Work in Progress		
Total Plant		
Total Assets		

JUNE 13, 2000

ATTACHMENT B

COMPETITIVE LOCAL EXCHANGE ANNUAL REPORT

Company Name: _____

Balance Sheet-Total Company
December 31, 2000/or Fiscal Year Ending

Particulars	Balance at Beginning of Year	Balance at Ending of Year
<u>Current Liabilities</u>		
Accounts Payable		
Advanced Billings and Payments		
Customer Deposits		
Long Term Debt-Current Maturities		
Accrued Liabilities		
Other Current Liabilities		
Total Current Liabilities		
<u>LongTerm Debt</u>		
Long Term Debt		
Obligations Under Capital Leases		
Advances From Affiliated Companies		
Other Long Term Debt		
Total Long Term Debt		
<u>Stockholders Equity</u>		
Capital Stock		
Additional Paid in Capital		
Retained Earnings		
Total Stockholders Equity		
Total Liabilities and Stockholders Equity		